



Permit No. 75291

THE STATE OF NEVADA
PERMIT TO APPROPRIATE WATER

Name of applicant: ASHDOWN PROJECT LLC
Source: UNDERGROUND
Basin: CONTINENTAL LAKE VALLEY
Manner of Use: MINING AND MILLING
Period of Use: January 1st to December 31st
Priority Date: ~~01/26/2007~~ NEW PRIORITY DATE:
NOV 1 2011

APPROVAL OF STATE ENGINEER

This is to certify that I have examined the foregoing application, and do hereby grant the same, subject to the following limitations and conditions:

This permit is issued subject to existing rights. It is understood that the amount of water herein granted is only a temporary allowance and that the final water right obtained under this permit will be dependent upon the amount of water actually placed to beneficial use. It is also understood that this right must allow for a reasonable lowering of the static water level. This well shall be equipped with a two (2) inch opening for measuring depth to water. If the well is flowing, a valve must be installed and maintained to prevent waste. A totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of water begins or before the Proof of Completion of Work is filed.

This permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the groundwater basin.

The issuance of this permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies.

The point of diversion and place of use is as described under items 5 and 7 respectively on the submitted application to support this permit.

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 1.114 cubic feet per second, but not to exceed 79.90 acre-feet annually.

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before:

August 9, 2009

Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:

August 9, 2012

Map in support of proof of beneficial use shall be filed on or before:

N/A

IN TESTIMONY WHEREOF, I, TRACY TAYLOR, P.E.,

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 9th day of August, A.D. 2007

Tracy Taylor P.E.
State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

It

CANCELLED SEP 21 2011 BECAUSE OF
FAILURE OF APPLICANT TO COMPLY WITH
THE PROVISIONS OF PERMIT

Tracy Taylor P.E. STATE ENGINEER
Can. Rescinded 8/22/2012

**APPLICATION FOR PERMIT TO APPROPRIATE THE PUBLIC
WATERS OF THE STATE OF NEVADA**

NEW PRIORITY DATE:

Date of filing in State Engineer's Office ~~JAN 26 2007~~ NOV 1 2011

Returned to applicant for correction _____

Corrected application filed _____

Map filed JAN 26 2007

The applicant **Ashdown Project LLC** hereby makes application for permission to appropriate the public waters of the State of Nevada, as hereinafter stated. (If applicant is a corporation, give date and place of incorporation; if a copartnership or association give names of members.) **Limited-Liability Company filed in Nevada on 9-26-2006**

1. The source of the proposed appropriation is **Underground**
2. The amount of water applied for is **1.114 CFS** second-feet
 - (a) If stored in reservoir give number of acre-feet
3. The water to be used for **Mining, Milling & Domestic**
4. If use is for:
 - (a) Irrigation, state number of acres to be irrigated
 - (b) Stockwater, state number and kinds of animals to be watered
 - (c) Other use (describe fully under No. 12. "Remarks") **Mining, Milling & Domestic**
 - (d) Power:
 - (1) Horsepower developed
 - (2) Point of return of water to stream
5. The water is to be diverted from its source at the following point **within the NW¼ NW¼ of Section 23, T45N., R.28E., M.D.B.&M. or at a point from which the NW corner of said Section 23 bears N 71° 01' 57" W 1293.30 feet**
6. Place of Use **Portion of the E½ NW¼ NW¼ of Section 23, T.45N., R.28E., M.D.B.&M.**
7. Use will begin about **January 1st** and end about **December 31st** of each year.
8. Description of proposed works **drilled well, pipeline to flotation mill**
9. Estimated cost of works **in excess of \$50,000**
10. Estimated time required to construct works **1 year**
11. Estimated time required to complete the application of water to beneficial use **3 years**
12. Remarks: **Water is to be used for mining, Milling & domestic purposes for operation of a flotation mill, tailing pond, dust control and domestic purposes. Estimated annual consumptive use will be approximately 80 acre-feet.**

Desert Mountain Surveying
By **John H. Milton III, Agent**
s/ **John H. Milton**
146 West Second Street
Winnemucca, NV 89445